

ABOUT THE COMPANY: TruAlt Bioenergy, focused on ethanol and biodiesel, was incorporated in March 2021 and re-named in July 2022. It began commercial operations on October 1, 2022, after acquiring distillery assets with a combined 590 KLPD capacity.

KEY BUSINESS INSIGHTS: They are a leading Indian biofuels producer with 2,000 KLPD installed (1,800 KLPD operational) ethanol capacity and a 3.6% market share as of March 2025. Benefiting from key government incentives like PLI (1.7% of turnover) and GST exemptions, they plan 6 crore litres of 2G ethanol from 800,000 MT bagasse and 10 crore litres of SAF using UOP's technology to meet 2027 targets. For CBG, they partnered with Japanese firms for 3-5 plants and Sumitomo for four plants in Karnataka and Maharashtra. Subsidiary Leafiniti operates a 10.20 TPD CBG plant and, with GAIL (up to 49% stake), will develop 20 more sites.

OUR VIEW:

Despite a stretched working capital cycle and dependency on promoter group for raw materials and reliance on OMCs for revenue, the company maintains robust margins, positive operating cash flow, and strong long-term growth prospects through diversification into new verticals such as advanced fuel dispensing (motor spirit, high-speed diesel, E85/E93 ethanol blends), bio-CNG, and EV charging stations. With a reasonable industry P/E of 23.6x and improving EBITDA margins, we recommend a "SUBSCRIBE" rating for long-term investors.



ISSUE DETAILS	
Price Band (in ₹ per share)	472-496
Issue size (in ₹ Crore)	839.28
Fresh Issue (in ₹ Crore)	750.00
Offer for Sale (in ₹ Crore)	89.28
Issue Open Date	25-09-2025
Issue Close Date	29-09-2025
Tentative Date of Allotment	30-09-2025
Tentative Date of Listing	03-10-2025
Total Number of Shares (in lakhs)	169.21
Face Value (in ₹)	10.00
Exchanges to be Listed on	BSE & NSE

APPLICATION	LOTS	SHARES	AMOUNT (₹)
Retail (Min)	1	30	14,880
Retail (Max)	13	390	1,93,440
S-HNI (Min)	14	420	2,08,320
S-HNI (Max)	67	2010	9,96,960
B-HNI (Min)	68	2040	10,11,840

BRLMs: DAM Capital Advisors Ltd. & SBI Capital Markets Ltd.

PROMOTERS: Vijaykumar Murugesh Nirani, Vishal Nirani and Sushmitha Vijaykumar Nirani

BRIEF FINANCIALS

PARTICULARS (Rs. Cr)	FY25	FY24	FY23
Share Capital	70.63	61.08	61.08
Net Worth	768.99	264.61	240.49
Revenue from Operations	1907.72	1223.40	762.38
EBITDA	309.14	188.09	105.05
EBITDA Margin (%)	16.20	15.37	13.78
Profit/(Loss) After Tax	146.64	31.81	35.46
EPS (in Rs.)	20.94	4.25	7.10
Net Asset Value (in Rs.)	110.22	43.32	52.48
Total borrowings	1549.68	1684.68	1150.09
P/E [#]	23.69	NA	NA
P/B [#]	4.56	NA	NA

* *Restated consolidated financials; #Calculated at upper price band ^Annualised EPS

OBJECTS OF THE OFFER

The Company proposes to utilize the net proceeds towards funding the following objects:

- Funding capital expenditure towards setting- up multi-feed stock operations to pave- way for utilizing grains as an additional raw material in ethanol plant at TBL Unit 4 of 300 KLPD capacity Expected Amount (₹ in crores) Rs. 150.68/-
- Funding their working capital requirements Expected Amount (₹ in crores) Rs. 425.00/-
- General corporate purposes

FINANCIAL STATEMENTS

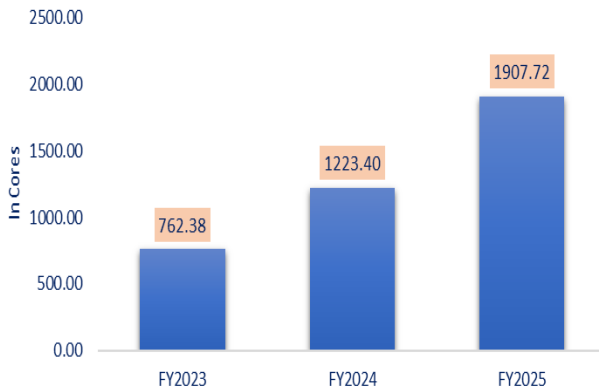
Profit & Loss Statement			
Particulars (In Crores)	FY2023	FY2024	FY2025
INCOME			
Revenue from operations	762.38	1223.40	1907.72
Other Income	0.00	56.78	60.80
Total Income	762.38	1,280.19	1,968.53
YoY Growth (%)	-	67.92%	53.77%
EXPENSES			
Employee benefits expenses	8.59	24.32	39.86
Employee benefits expenses as a % of Revenue	1.13%	1.99%	2.09%
Cost of materials consumed	567.33	771.51	1041.58
Purchases of stock-in-trade	16.78	38.42	282.86
Changes in inventories of finished goods	-82.71	-5.98	-52.82
Other Expenses	147.34	207.06	287.10
EBIDTA (Calculated)	105.05	188.09	309.14
EBIDTA Margin (%)	13.78%	15.37%	16.20%
Depreciation and amortisation expense	20.75	56.92	66.89
EBIT	84.30	131.17	242.25
EBIT Margin (%)	11.06%	10.72%	12.70%
Finance cost	35.31	143.08	143.61
Profit Before Tax For the Year	48.99	44.87	159.44
Tax expenses			
Current tax	-	-	-
Deferred Tax	-13.53	-13.07	-12.80
Total tax expenses	-13.53	-13.07	-12.80
Profit for the year	35.46	31.81	146.64
PAT Margin (%)			
Earnings per share			
Basic earnings per share (₹)	7.10	4.25	20.94

Cash Flows			
Particulars (In Crores)	FY2023	FY2024	FY2025
Net cash flow from/(used in) operating activities	233.49	35.48	329.23
Net cash flow from/(used in) investing activities	-1148.58	-383.7	-242.5
Net cash flow from/(used in) financing activities	919.81	366.76	39.72
Net increase/(decrease) in cash and cash equivalents	4.72	18.57	126.43
Cash and cash equivalents at the beginning of the year	0.06	4.77	23.35
Cash and cash equivalents at the end of the year	4.78	23.34	149.78

Balance Sheet			
Particulars (In Crores)	FY2023	FY2024	FY2025
Particulars			
ASSETS			
Non-current assets			
Property, plant and equipment	1148.64	1276.35	1680.00
Capital work-in-progress	9.62	201.25	2.78
Goodwill	47.86	51.59	51.59
Other intangible assets	105.08	98.74	87.49
Right of use assets	-	-	6.78
Financial assets:			
(ii) Other financial assets	-	-	1.93
Deferred tax assets (net)	-	0.75	-
Other non-current assets	80.68	132.25	136.96
Total non-current assets	1391.88	1760.94	1967.53
Current assets			
Inventories	153.49	159.48	210.21
Financial assets:			
(i) Investments	-	10.00	4.36
(ii) Trade receivables	86.54	298.21	339.27
(iii) Cash and cash equivalents	4.78	23.35	149.78
(iv) Other financial assets	169.36	5.51	16.17
Government grants	-	50.41	98.35
Income tax assets (net)	-	3.99	1.80
Other current assets	49.94	107.12	242.27
Total current assets	464.10	658.08	1062.20
Total assets	1855.98	2419.08	3029.73
EQUITY AND LIABILITIES			
Equity			
Equity share capital	61.08	61.08	70.63
Other equity	179.42	203.53	698.37
Equity attributable to parent	240.49	264.61	769.00
Non-controlling interest	-	-	-
Total equity	240.49	264.61	769.00
Liabilities			
Non-current liabilities			
Financial liabilities:			
(i) Borrowings	1070.33	979.58	1117.16
(ii) Lease liabilities	-	-	5.19
(iii) Other financial liabilities	11.20	0.00	0.00
Provisions	0.61	1.99	3.25
Deferred tax liabilities (net)	90.77	104.52	80.03
Other non-current liabilities	-	6.14	7.60
Total non-current liabilities	1172.91	1092.24	1213.23
Current liabilities			
Financial liabilities:			
Borrowings (Current)	79.76	705.09	432.52
Lease liabilities	-	-	1.66
Trade payables	-	-	-
Due to MSME	0.13	0.23	13.39
Due to other than MSME	307.33	153.38	472.35
Other financial liabilities	53.20	200.44	125.06
Other current liabilities	2.12	2.96	2.28
Provisions	0.04	0.14	0.24
Total current liabilities	442.58	1062.24	1047.50
Total equity and liabilities	1855.98	2419.08	3029.73

PERFORMANCE THROUGH CHARTS

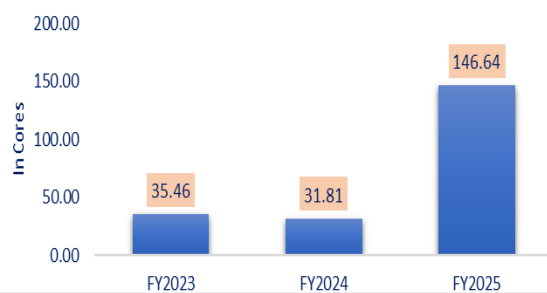
REVENUE HAS GROWN BY 58.19% CAGR 2 YR



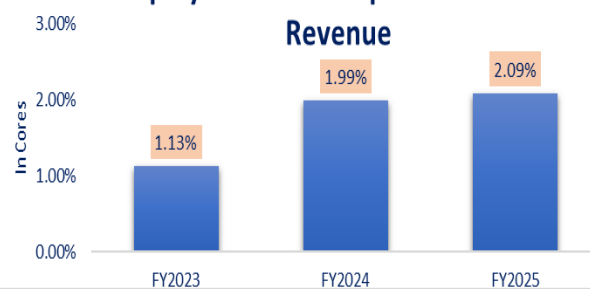
EBITDA HAS GROWN BY 71.55% CAGR 2 YR



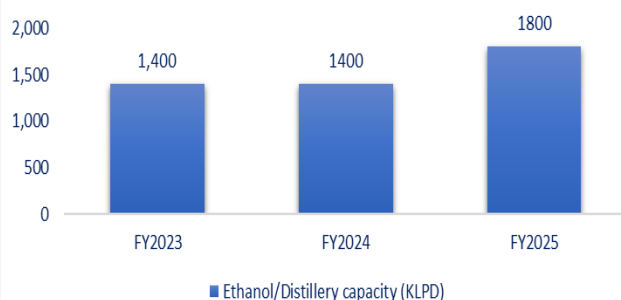
PAT HAS GROWN AT A CAGR ON 103.36%



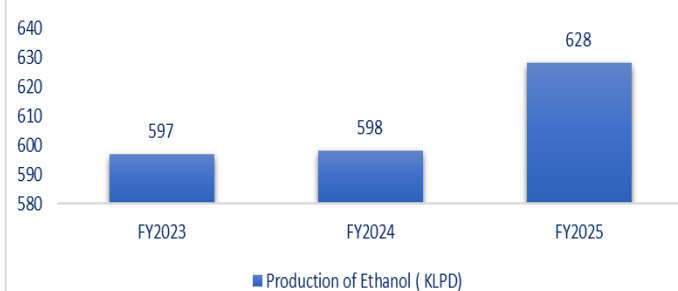
Employee benefits expenses as a % of Revenue



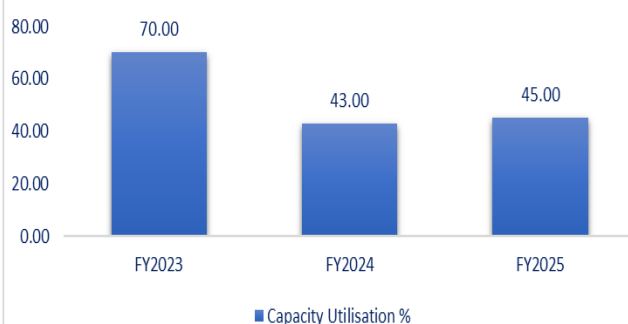
Ethanol/Distillery capacity (KLPD)



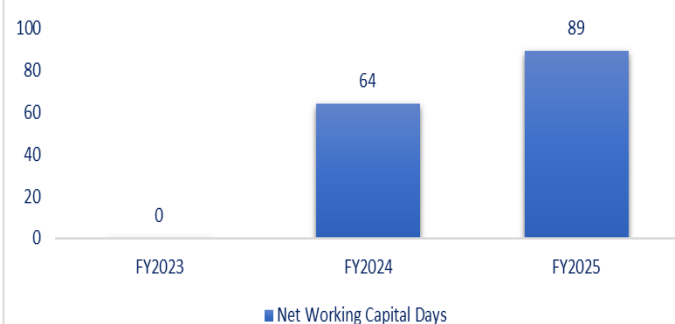
Production of Ethanol (KLPD)



Capacity Utilisation %



Net Working Capital Days



INDUSTRY REVIEW

OVERVIEW OF THE INDUSTRY IN INDIA

- The National Biofuel Policy (2018, revised 2022) targets 20% ethanol and 5% biodiesel blending by 2025 to cut fossil fuel use, enhance energy security, and support rural jobs. It promotes domestic feedstocks, expands eligible sources, encourages local production, and reduced GST on ethanol from 18% to 5% under the Ethanol Blended Petrol programme.
- The aviation sector is advancing CO₂ reduction through SAF offtake deals and alternative feedstocks like biomass and ethanol-to-jet fuel. With airlines urging supportive policies, IATA estimates India could produce 40 million tonnes of SAF by 2050 from 100 million tonnes of biomass, making it a potential global SAF hub.
- The global biodiesel market is projected to grow at a 2% CAGR (2023–2028), driven by eco-friendly policies and rising demand for cleaner fuels. Produced from vegetable oils, used cooking oils, and animal fats, biodiesel offers a renewable diesel alternative, with countries like Indonesia and the U.S. supporting its adoption through incentives.
- India's MRO aviation industry is projected to grow at 8.9% CAGR to USD 4 billion by 2031, outpacing global trends but challenging net-zero goals. SAF, which cuts CO₂ emissions by up to 80%, is crucial to meeting 2050 targets. With strong feedstock availability and early adoption like Air Asia's 2023 SAF flights, India aims to produce 40 million tonnes of SAF by 2050, positioning itself as a key regional hub.
- Countries are adopting biofuel mandates, like India's 20% ethanol blending target by 2025, to meet climate and energy goals. As G20 Chair, India launched the Global Biofuel Alliance with the USA and Brazil to promote sustainable biofuels, innovation, global standards, and cooperation.

COMPETITIVE STRENGTHS OF THE COMPANY

Strong Customer Relationships Fueling Consistent Demand Growth

- As of July 2025, OMCs blend 19.05% ethanol under the EBP programme, aiming for 20% by ESY 2025–26. Their subsidiary secured 10- and 15-year CBG offtake deals with two OMCs under SATAT and received a purchase order on May 12, 2025, to supply FOM at ₹5,565/MT from April 24, 2025, to March 31, 2026.
- Since inception, the company has maintained steady revenue growth, supported by strong relationships with OMCs. In Fiscal 2023, its top 10 customers accounted for ₹756.85 crore or 99.24% of total revenue. The top three OMCs contributed ₹315.90 crore (41.42%), ₹212.31 crore (27.84%), and ₹171.69 crore (22.51%), respectively, while Customer 4 added ₹52.72 crore (6.91%). The remaining six customers each contributed less than ₹1 crore.
- In FY24, the top 10 customers contributed ₹1,214.31 crore (99.26%), led by Customer 1 (OMC) ₹334.15 crore (27.31%). In FY25, their contribution increased to ₹1,821.86 crore (99.78%), with Customer 1 (OMC) ₹656.07 crore (35.93%) and Customer 2 (OMC) ₹422.53 crore (23.14%).

Strategically Positioned to Leverage Positive Industry Trends

- India's biofuel market, dominated by ethanol, also includes CBG and biodiesel. The biogas sector is projected to grow at a 6.3% CAGR to USD 2.25 billion by 2029. Their ethanol and CBG offerings align with India's biofuel expansion focus, especially on CBG.
- Launched in 2003, the Ethanol Blended Petrol (EBP) program promotes cleaner fuels and reduces energy imports. Government incentives like interest subvention, excise exemptions, and blending targets—especially in Karnataka—strongly support their ethanol business.
- As early SATAT CBG producers, they are rapidly expanding to lead the bio-CNG market. Mandatory blending policies drive strong demand, while their subsidiary can sell FOM directly to farmers until November 2026. Supported by growth and policies, they aim to bridge India's biofuel supply-demand gap.

India's Largest Installed Ethanol Production Capacity

- Incorporated in March 2021, they expanded quickly by acquiring three distilleries, boosting capacity from 590 KLPD in 2022 to 1,800 KLPD in 2025. Despite limited working capital, capacity utilization was 74.06%, 42.63%, and 45.08% in FY 2023-25. Ethanol sales nearly doubled, rising from ₹700.81 crore in 2023 to ₹1,433.94 crore in 2025.
- As of March 31, 2025, they are India's largest ethanol producer with five Karnataka distilleries totaling 2,000 KLPD installed and 1,800 KLPD operational capacity. Units 1-4 have capacities of 700, 500, 400, and 200 KLPD (Unit 4 started March 2025), plus a 200 KLPD greenfield Unit 5. Ethanol production for FY 2023-25 was 164,904 KL, 141,659 KL, and 182,588 KL from molasses and sugar syrup.
- This diversifies their raw materials and reduces seasonality risks. Their large ethanol capacity and focus on sustainability provide a strong advantage in the growing biofuels market.

RISK FACTORS

Revenue Concentration Risk from Dependence on Key Customers, Including Oil Marketing Companies

- Their dependence on a few customers limits negotiation power. In FY 2023 (Standalone), the top 10 customers accounted for ₹756.85 crores (99.24% of revenue), with the top three OMCs contributing ₹315.90 crores (41.42%), ₹212.31 crores (27.84%), and ₹171.69 crores (22.51%). The remaining seven contributed between 0.01% and 6.91% each.
- In FY 2024 (Consolidated), the top 10 customers accounted for ₹1,214.31 crores (99.26% of revenue). Major contributors included Customer 1 (OMC) ₹334.15 crores (27.31%), Customer 2 ₹245.98 crores (20.11%), Customer 3 (OMC) ₹191.37 crores (15.64%), and Customer 4 (OMC) ₹172.74 crores (14.12%), with others contributing 0.42% to 8.18% each.
- In FY 2025 (Consolidated), the top 10 customers accounted for ₹1,821.86 crores (99.78% of revenue), led by Customer 1 (OMC) ₹656.07 crores (35.93%), Customer 2 (OMC) ₹422.53 crores (23.14%), Customer 3 ₹283.67 crores (15.54%), and Customer 4 (OMC) ₹238.19 crores (13.04%). Limited dispute recourse, such as payment issues, presents potential risks.

Operational Disruption Risks Due to Production Unit Dependence

- All production units are located in Bagalkot, Karnataka, offering raw material proximity but posing risks from droughts, weather, crop diseases, disasters, and socio-political issues. While no such events have occurred yet, future disruptions could impact supply and revenue.
- All production units are based in Bagalkot, Karnataka, ensuring raw material access but exposing operations to risks like drought, crop disease, and socio-political issues. Future disruptions could affect supply and revenue.
- Ethanol production and hazardous material handling require strict regulatory compliance and permits. Non-compliance, restrictions, or accidents could result in fines, environmental harm, operational shutdowns, and customer loss, impacting business and finances.

Business Performance Tied to Ethanol Sales

- They face regulatory risks affecting ethanol production, such as the December 7, 2023 notification under the Essential Commodities Act, which bans the use of sugarcane juice/syrup for ethanol in the 2023–24 supply year. Though B-heavy molasses is still permitted, revised OMC allocations may limit output, affecting operations and revenue.
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PEER COMPARISON

Name of the company	Revenue from Operations (in ₹ Cr)	Face Value (Rs per share)	EPS (in Rs)	NAV (Per share Rs)	RoE (%)	P/E*	P/B*
TruAlt Bioenergy	1907.72	10.00	20.94	108.87	19.07	23.69	4.56
Balrampur Chini Mills Ltd.	5415.38	1.00	21.65	187.99	11.51	22.88	2.63
Triveni Engineering & Industries Ltd.	6807.94	1.00	10.88	144.34	7.66	31.34	2.36
Dalmia Bharat Sugars &	3745.78	2.00	47.78	399.62	11.96	7.69	0.92

*P/E & P/B ratio based on closing market price as of September 23rd 2025, at the upper price and of IPO, financial details consolidated audited results as of FY25.



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